

Date Mailed
March 31, 2000

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of Northern States Power Company-Wisconsin for
Authority to Maintain Current Retail Electric and Natural Gas
Service Rates in Wisconsin

4220-UR-111

**ORDER TO REOPEN, AND
NOTICE OF HEARING**

Direct Testimony Due:	Monday, April 10, 2000 – Noon
Rebuttal Testimony Due:	Monday, April 17, 2000 – Noon
Hearing Date:	Wednesday, April 19, 2000 – 1:00 p.m.
Hearing Location:	Public Service Commission, 610 North Whitney Way, Madison, WI (Amnicon Falls Hearing Room – 1st Floor)

THIS IS A PROCEEDING, pursuant to Wis. Stat. §§ 196.03, 196.20, and 196.37 and Wis. Admin. Code § PSC 116.06 to consider the March 17, 2000, application of Northern States Power Company-Wisconsin (NSPW) for authority to increase its retail electric rates due to an increase in fuel costs.

In its application, NSPW reported its February 2000 variance to be a 12.35 percent undercollection of fuel costs. This is in excess of its allowed monthly range of 8 percent. NSPW also estimated its monitored fuel costs to be \$659.8 million or \$0.01559 per kWh for the cumulative period January through December 2000, based on January and February actual data and forecasts for March through December 2000. The projected increase above the authorized base fuel expense is \$77.8 million, on a Northern States Power system basis, representing an annual increase of 13.88 percent from the level of fuel costs currently being monitored in this docket. It is in excess of NSPW's allowed 2 percent annual fuel cost range.

On October 28, 1999, the Commission issued an order in this docket authorizing no change in NSPW's electric and natural gas rates and rules and determined that it was appropriate to forego a rate hearing in the proceeding. That order established an average fuel cost of \$0.01369 per net kWh for the test year. The order maintained the variance ranges for monitoring NSPW's fuel costs pursuant to Wis. Admin. Code ch. PSC 116. The appropriate variance ranges are:

(1) for the annual range, plus or minus 2 percent; (2) for the monthly range, plus or minus 8 percent; and (3) for the cumulative ranges, plus or minus 8 percent for the first month, plus or minus 5 percent for the second month, and plus or minus 2 percent for the remaining months of the calendar year.

Electric revenues resulting from fuel surcharges are subject to refund.

Pursuant to Wis. Admin. Code §§ PSC 116.03(1) and 116.06, an emergency rate increase can be granted only if the utility's actual monthly fuel costs exceed the ranges set in its rate proceeding, the annual fuel costs will be affected so as to exceed the annual range, and the increase in fuel costs was caused suddenly by forces beyond the utility's control or reasonable foresight.

On March 17, 2000, the Commission received NSPW's application for an emergency rate increase along with sufficient documentation regarding its monthly fuel costs to invoke an investigation into whether these fuels cost have triggered the criteria allowing for emergency rate relief as set forth in Wis. Admin. Code § PSC 116.06 and, if the fuel costs meet this criteria, determine the amount of the rate increase. Therefore, the Commission hereby reopens this docket under Wis. Stat. § 196.39 to consider the company's application for an increase in rates.

The utility is responsible for giving notice to its customers of the filing of its application with the Commission and, pursuant to Wis. Admin. Code § PSC 2.73, for producing proof of notice at the hearing.

NOTICE IS GIVEN that a hearing will be held beginning on Wednesday, April 19, 2000, at 1:00 p.m. in the Amnicon Falls Hearing Room at the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin, and continuing at times to be set by the presiding Administrative Law Judge. This building is accessible to people in wheelchairs through the Whitney Way first floor (lobby) entrance. Parking for people with disabilities is available on the south side of the building. Any person with a disability who needs additional accommodations should contact the case coordinator listed below.

Persons who desire to actively participate as parties must request party status in writing. Party status requests should be addressed to Jeffrey J. Patzke, Administrative Law Judge, Public Service Commission of Wisconsin, P.O. Box 7854, Madison, Wisconsin 53707-7854.

This is a Class 1 proceeding as defined in Wis. Stat. § 227.01(3)(a).

The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to obtain this document in a different format should contact the case coordinator listed below.

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Questions from the media may be directed to Jeffrey L. Butson, Public Affairs Director at (608) 267-0912.

Questions regarding this matter may be directed to case coordinator James K. Wagner at (608) 267-9768.

Dated at Madison, Wisconsin, _____

By the Commission:

Lynda L. Dorr
Secretary to the Commission

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